

**SECRET**

2 September 54

MEMORANDUM TO: Colonel White

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1. You will recall that Mr. [REDACTED] had developed a draft of a paper dealing with operational loans, (see Tab B). He expressed the feeling that many projects have been implemented which furnish

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[REDACTED]

project should have been processed under the provisions of Paragraph 9.4 of the Confidential Funds Regulations. He suggested a meeting be held with a representative of this office and a representative of DD/P Admin after DD/P Admin has made a preliminary analysis of projects and has determined the number of projects and the amount of funds involved.

2. In reviewing the proposal, the Comptroller (see Tab A) has indicated that there is some question as to whether or not operational loans are required to be processed under the provisions of 9.4. He suggests that members of the Comptroller's staff, members of the DD/A staff and appropriate representatives of DD/P jointly review the situation and determine the best course of corrective action.

3. Members of the Comptroller's staff feel that regulations dealing specifically with projects requiring operational loans would be in order and that adjustments in the financial accounts of the Agency be effected which would permit the identification of operational loans in a separate series of accounts.

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4. It is suggested that Paragraph 3 of Mr. [REDACTED] memo be revised and then forwarded to the [REDACTED]/DDP so that action may be undertaken with a view to resolving this problem in a manner satisfactory to the DD/P and interested elements reporting to the DD/A.

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5. Mr. Houston has suggested also that a conference with [REDACTED] prior to the meeting on a working level might be very productive in determining the attitude of the DD/P representatives.

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cc: DD/A chrono ✓

DD/A subject: Proj - Miss

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